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JA Company Profile

Company Name: Organic Fruits
Forming Date: 15th September, 2007
Link School: Notre Dame College

Company Address
(School Address): 51 Shing Tak Street, Ma Tau Wai, Kowloon, Hong Kong
Company Website: http://www.xanga.com/organicfruits
Company Email: organic.fruits@yahoo.com

Number of Staff: 26
Number of Shares Issued: 50 Shares
Par Value of Each Share: $50

JA Company Description: (From http://jahk.org/programs/programs_upper_cp.asp)
JA Company Programme (學生營商體驗計劃) has been and continues to be the most popular Junior Achievement program, instilling in young people all over the world real business, teamwork, and leadership skills. Under the guidance of volunteer business advisers, students form a mini-corporation and operate a company as much as they would in the real world. Students elect officers, develop business plans, sell stock, produce and market real products or services, keep records, conduct stockholders' meetings, and liquidate the company, all in about 18 weeks. Students can also have the opportunity to experience a real marketplace by selling their products or services in the "Company Programme Trade Fair", one of the major events of the JA Company Programme. The Trade Fair will be held at the ground plaza of HSBC Main Building in Central which is open to the public.

JA Company Social Responsibility

Organic Fruits, a JA Company, as a responsible company, apart from providing best goods and services, and earning profits, is always aiming at achieving social responsibility.

During the Trade Fair on 15th December, 2007, we have set up a donation box to raise fund for Green Peace. Each customer was asked to donate money freely to Green Peace if they want. After the Trade Fair, about $10 was raised from such donation campaign.

After the staff meeting, all staff came to an agreement that the salaries of all staff, including CEO’s and all department directors’, will be donated to the Green Peace (for details, please refer to P.9), every staff only receive a bonus which the amount is based on their attendance.
Dear Shareholders,

On behalf of my colleagues of Organic Fruits, I would like to take this opportunity to thank all of you for your investment and trust on us. Without your support, we would not have run the business so successfully.

We issued 50 shares at $50 per share in 2007. The total capital collected was $2500. After liquidation, each share would receive a dividend of $10, with a rate of return on capital, 20%.

Before the Trade Fair, we held a pre-sale in our school. We wanted to know the customers’ flavor and how to improve our products’ quality. We also learnt how to provide good services to our customers. Of course, the most enjoyable experience was the Trade Fair. That day, all of us showed extremely high team spirit. All of our products were sold out. That was an exhilarating experience for us. In order to make our venture more meaningful, we decided to donate all our salaries, $531, to Green Peace.

During the whole process of the business, we learnt a lot about how to run a business and how to take on challenges. Risk management was the most valuable lesson we learnt in the past few months. It was necessary to prepare for contingencies so that the original plans would not be upset. In addition, up-to-date market information is always a prerequisite for success in the sale of products. We learnt the importance of market information. Market research should be conducted from time to time in order to utilize the latest information and improve our products.

In the production stage, we encountered quite a lot of practical problems but our team members worked very hard and managed to overcome them. Finally, 120 pieces were produced. They had really put in tremendous effort. Their relentlessness is what I appreciate most.

Then it took us hours deliberating on the selling price of our products. We had to set a highest possible selling price to cover the high production costs and without compromising the attractiveness of our products. With the study conducted by the Sales and Marketing Department and the break-even point calculated by the Finance Department, we finally set HK$44.90 as the selling price for each cushion.

We faced fierce competitors. But we had confidence in our products, which should appeal to everyone in terms of design and practicality. Using fruits as our main theme, our products were quite eye-catching, attracting a lot of prospective customers.
Setting the business objective gives a clear direction to all our employees to collaborate. Communication is significant in a firm. Inadequate communication is a big obstacle to making the best decision and building up team spirit. In this respect, colleagues should have mutual trust.

Employees will be more willing to do their best when they feel genuinely being respected, particularly in their role and their ideas.

Last but not least, I would like to thank all my colleagues. Without their great effort and commitment, we would not have run Organic Fruits so successfully. Besides, we all would also express our special thanks to Miss Kammy Yu and Miss Eva Kwan, our business advisors, for their expertise and valuable time. And we also thank Mr. K.M. Tong, our teacher, for his support and encouragement.

Yours sincerely,

Leo Liu
CEO of Organic Fruits
Reviews from Department Directors

Sales and Marketing Department
Sales and Marketing Director, Gian Yu

The first time I heard of this department, I thought that there was not much work to do. The function of this department was mainly to promote and sell products to customers in the trade fair as well as decorate our booth. However, it was totally a misconception. The workload of this department was as heavy as other departments. The most important work of our department was to develop a marketing plan in order to ensure that we could meet the sales goals. On the other hand, we were required to design and create a lot of advertising materials so as to attract potential consumers to purchase our products. We had heated discussions on the design of our booth and the use of the 30 seconds of time allowable for promoting our products on stage. Besides, we also needed to get ourselves familiar with our products and demonstrate good selling techniques. Fortunately, we had a pre-sale exercise in our school helping us, as salespersons, to practise the skills of dealing with potential customers.

In this programme, we learned how to run a real business, which was much more difficult than what the textbooks claim. And I think that teamwork is extremely important. Without it, our sales would not have been so successful.

At the beginning, I had no confidence to handle all this complicated work and sometimes I encountered difficulty in making decisions. But thanks to all the team members giving me valuable advice and support, I was able to respond to different challenges and managed to solve the problems.

From this programme, I gain self-confidence and it teaches me never to give up when facing difficulties. And I also realize that where there is a will, there is a way!

Production Department
Production Director, Ada Leung

The JA Company Programme was the first experience of every classmate going into business. At the beginning, we did not take it seriously, but we changed our mind soon. When the company had just been set up, we suggested many creative new products. After
lengthy discussions, ‘fruits’ became our theme and our company was named “Organic Fruits”.

As the manager of the Production Department, I looked for all the materials including cotton, cloth and sewing kits everywhere with my members. They worked very hard for their jobs. We could all see their enthusiasm. However, we are just students and we had no ideas about the procedures of producing cushions, and this made us quite stressed. As their manager, sometimes, I would worry about how to lead them finishing the work and also the consequences if the products were not good. At the same time, I learnt that everyone had the same anxiety as me. Luckily, with the help of our teacher and the advisers, we could achieve our goals finally and produce all the cushions as scheduled. Throughout the procedure, all our classmates worked wholeheartedly, cooperated with each other very well. Also, in order to speed up the rate of production, we willed to work overtime. Happily, we managed to finish the work before the deadline. The procedure of producing cushions was not simple at all. There were many steps and each one was crucial, depending very much on our classmates’ cooperation and concentration.

After finishing the job, all of us felt very happy and satisfied. In the trade fair, when we witnessed the moment when all the cushions made by our own hands sold out, the feeling of success and joy was really strong. Thanks to Junior Achievement, we learnt how to run a business in the real world in different ways. And it also helped strengthen the relationship between our classmates too.

“Thank JA for giving us this valuable chance, and thank all my colleagues of ‘Organic Fruits’.”

Finance Department
Finance Director, Iris Ho

The Finance Department had an important duty in this company programme. We needed to calculate the cost of production and the profit, set the selling price, do the bookkeeping of our company. Also, we needed to control the expenses of each department to maximize the profit of our company and we also needed to report the financial condition in each meeting.

In this programme, we met with many difficulties. For example, it was not easy to set the selling price because we knew little about the market behaviour and situation of the cushion business, but we were able to solve these problems soon through research, consultation and discussion. Despite being a team of just three persons and our heavy schoolwork, our members found time and made concerted effort to finish the financial duty for our company. I would say their work was commendable.

We all had studied accounting before and learnt some bookkeeping method like preparing a balance sheet, but we had not got an opportunity to do actual accounting and financial management for a real firm. So, I think this time we had a precious experience. Besides, we have learnt a lot more
about finance and all 26 workers in our company collaborated very well in running this business. Our team spirit is the major factor in making our company a success! Lastly, I would like to thank our teacher and two business advisers for their help and advice.

HR and Admin Department

HR and Admin Director, Chan Wing Yin

Selling products of the best quality to our customers was the main objective of our company.

Drawing up rules necessary to ensure our employees fulfill their obligations was the main duty of the Human Resources and Administration Department. We were also responsible for promoting our company’s well-being and ensuring that all employees abide by the rules of our company as well as the JA Company Bylaws and that all business operations were carried out in observance of business ethics.

Punctuality of the employees at the initial stage of our programme was rather disappointing. As the employees were not aware of the seriousness of the lateness problem, some of them tended to be late for the working sessions. It was an unpleasant situation to me as being the director of Human Resources and Administration Department. The CEO of our company wanted me to address this problem promptly while those employees did not take my advice seriously. As a result, the relationship between the top management and frontline employees was uneasy, which adversely affected productivity and creativity. There was no time for me to hesitate so I met and talked frankly with the employees who had the lateness problem one by one and asked them for the reasons of lateness.

Then we put great effort into setting out rules that were agreed unanimously by all employees. Fortunately, the rules could efficiently help motivate them to cooperate with me and be punctual on the subsequent working days. It is a valuable experience for us, allowing us to learn interpersonal skills from this experience.

It’s our honour to join the JA programme as it gave us valuable opportunity to learn how to run a business. We had not expected such a programme could give us so much on learning how to operate a real company. There is no doubt that operating this business helps us to know more about the handling of human relations and the importance of team spirit, coordination and communication between different departments. I, as well as all the employees in Organic Fruits, do feel complacent for what we have achieved.
Timeline

2007

SEPTEMBER
◆ The Board of Directors was formed.
◆ CEO and Department Directors were elected.

OCTOBER
◆ The JA Company’s Name was drafted as “MORE”.
◆ A list of Company’s Vision and Mission was set and Regulations were discussed.
◆ Preparing for issuing shares.

NOVEMBER
◆ The JA Company’s Name, “Organic Fruits” and “然有機” were finalized.
◆ About 50 shares were issued.
◆ The School Pre-sale was successfully held.

DECEMBER
◆ Company strategy was altered.
◆ All staff were working on manufacturing products at full speed indefatigable.
◆ A great success in the TRADE FAIR, all products were sold.
◆ During the Trade Fair, a foreign businessman has contacted us.

2008

JANUARY
Discussing on the dividends, salaries, and bonus distribution.

FEBRUARY
Preparing for the Liquidation.
### Financial Review

#### Organic Fruits

**Manufacturing, Profit and Loss Account for the year ended 15th February 2008**

<table>
<thead>
<tr>
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<td>Sales</td>
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<tr>
<td>- Trade Fair</td>
<td>5301.00</td>
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<tr>
<td>- Pre-Sale</td>
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<td>Less: Production Cost of Goods Completed</td>
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<tr>
<td>Gross Profit</td>
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**Expenses:**

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<tr>
<td>Stationary</td>
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<td>Rent</td>
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<td>Transportation costs</td>
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<td>Salaries</td>
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<td>Miscellaneous</td>
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<td>Annual General Meeting</td>
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<tr>
<td>Net Profit c / f</td>
<td>3585.00</td>
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</tbody>
</table>

**Net profit b / f**

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<tbody>
<tr>
<td>Less: Appropriation</td>
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<tr>
<td>Ordinary Dividend (50 / shares x $10 / per share)</td>
<td>500.00</td>
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<td>Bonus for workers</td>
<td>1404.00</td>
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<tr>
<td>Retained Profit</td>
<td>1681.00</td>
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#### Organic Fruits

**Balance Sheet as at 15th February 2008**

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<tbody>
<tr>
<td><strong>Current assets</strong></td>
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<tr>
<td>Cash</td>
<td>4181.00</td>
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<tr>
<td><strong>Financed by:</strong></td>
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<tr>
<td>Ordinary share of $50 each ( $ 50 / per share x 50 / shares )</td>
<td>2500.00</td>
</tr>
<tr>
<td>Add: Retained Profit</td>
<td>1681.00</td>
</tr>
</tbody>
</table>
Acknowledgement

Organic Fruits would also like to thank the following persons and organizations, for their guidance and generous support:

Mr. Chan Kwan Nga Emilio, Principal of Notre Dame College
Mr. Tong Ka Ming, Teacher of Notre Dame College
Ms. Eva Kwan, Business Advisor from HSBC
Ms. Kammy Yu, Business Advisor from HSBC
Junior Achievement Hong Kong, Organizer of the JA Company Programme

Last but not least, Organic Fruits would like to give special thanks to our CEO, Leo Liu, for leading us to accomplish the objectives; all Department Directors especially our IT Director, Louis Lam, for making this exquisite Annual Report; and all the staff from Organic Fruits, for putting all their efforts in achieving Company’s goals and aims and making all things go smooth. Thank You Very Much!